

SATURDAY - SEPTEMBER 22, 2007

THE INTERNATIONAL FORECASTER

09\_07\_4\_IF

P. O. Box 510518, Punta Gorda, FL **33951-0518**

An international financial, economic, political and social commentary.

Published and Edited by: Bob Chapman

E-mail Address

[International\\_forecaster@yahoo.com](mailto:International_forecaster@yahoo.com)

CHECK OUT OUR WEBSITE

[www.theinternationalforecaster.com](http://www.theinternationalforecaster.com)

\*\*\*\*\*

One of the great business conferences of the year is being held in Chicago on October 5th and 6th. That is the Global Resource Expo, also known as The Chicago Natural Resource Conference, one of the oldest semi-annual conferences in the country. Rich Radez has put it on since 1977. It is being held, as it has been for many years, at Rolling Meadows Holiday Inn and Convention Center in Chicago.

The event starts on Friday night and Joe Granville and Bob Chapman will be speaking and answering questions via tele-conference for 30 minutes each.

More important, the keynote speaker is the famous author of the "Creature from Jekyll Island" – G. Edward Griffith, who has been our friend for 43 years. This is a wonderful opportunity not only to hear Ed speak, but also to get your copies of the "Creature" signed. There will be a limited number of copies of the "Creature" for sale as well.

The main event starts on Saturday morning with a free continental breakfast. Admission for Friday and Saturday is free as well, which also includes a free lunch buffet served about noon and a cocktail reception later. There are a host of top line speakers along with eight mining companies making presentations.

Among the companies presenting will be Hellix Ventures (HEL.V) & (HLLXF). CEO Frank Underhill will lead off followed by geologist John Jenks and Dr. Richard Montalban. This is a wonderful chance to meet the professionals who are going to make Hellix Ventures into a mine.

Do not miss this event. It is once in a lifetime experience. All the information you need is at [www.chicagoresourceexpo.com](http://www.chicagoresourceexpo.com). You can also call Rich Radez at 317-502-5838. The Rolling Hills Holiday Inn can be reached at 800-465-4329 or 847-259-5000. The rate is \$95.00 a night and at this writing there are only 9 rooms left.

\*\*\*\*\*

**NOTICE:**

Due to ever escalating costs, as of October 1, 2007, the annual subscription cost will be **US\$159.95**. It's been two years since a raise increase and a number of comparable letter writers charge more than we do with most varying from just under \$200 to \$500 annually. One publishes 17 times a year and another 12 times a year. We put out over 100 e-mail letters and 24 hard copies annually. In addition, we offer free consultation to subscribers anytime you need it. The other letter writers charge varying fees to do that.

**Currently: 1-YEAR \$129.95 U.S. Funds – until **Sept 30, 2007****

**US AND CANADIAN SUBSCRIBERS:** Make check payable to Robert Chapman (**NOT** International Forecaster), and mail to P.O. Box 510518, Punta Gorda, FL 33951-0518. Please include name, address, telephone number and e-mail address.

Or:

We accept Visa and MasterCard charges. Provide us with your card number and expiration date. We will charge your card US\$129.95 (after 10-1-07 US\$159.95) for a one-year subscription.

You can email us in two separate emails (1- the Credit Card Number with full name, address and your telephone number and (2- the Expiration date on the card.

**NON US OR CANADIANS SUBSCRIBERS:** -

Due to the time that it takes for your mail to arrive to us from a foreign country, we would like for you to email us your telephone number so that we can contact you directly to get your Credit Card information in order to start your subscription to the IF. Or, as above email us the CC information in two separate emails.

**Note:** We publish twice a month by surface mail or twice a week by E-mail. [international\\_forecaster@yahoo.com](mailto:international_forecaster@yahoo.com) or [if\\_distctr@yahoo.com](mailto:if_distctr@yahoo.com)

**NEXT ISSUE**  
**WEDNESDAY M-W, SEPTEMBER 26, 2007**

**RADIO APPEARANCES:**

To check out all of our radio appearances click on this link below:

<http://www.theinternationalforecaster.com/radio.php>

Follow the Money with Pat Kiley - Monday & Wednesday - 7:00 to 8:00 p.m. CST on 7.465 short-wave

Discount Gold & Silver Trading Co.- Melody Cedarstrom – Mon., Wed., & Fri.

John Stadtmiller – Republic Broadcasting Network - Every Tues. at 5:00-7:00 pm EST

GoldSeekRadio – Every Wednesday

Pastor Butch Paugh – Genesis Communication Network – Mon. September 24th - 9 p.m. EST

Pat Gorman – Last appearance: Sunday, September 16th

Eli James – Rescheduled for November date pending

Dr. Stan Monteith - Thursday, September 21st – Tuesday, October 2nd and Thursday, October 19th

Erskine Overnight – Genesis Communication Network – October 13th

The Meria Heller Show – September 24th, October 23rd

Drew Raines – Every Friday

Rick Adams – Every third Wednesday, Sept. 19th – October 17th

From the Grassy Knoll Streams - Every Second Friday – October 12th

Richard Syrett – Every third Tuesday, October 16th, 11 p.m. EST

Bill Boshears – Every Tuesday at 8 p.m. ETS - [www.realtalknet.com](http://www.realtalknet.com)

Rudy Alfonso – Last: August 26th

Charles Goyette – KLFNX-Phoenix – Monday, October 1st

**US MARKETS**

International investors bought a net of \$19.2 billion in long-term US securities in July, the lowest inflow in seven months. They did buy enough Treasuries, a net \$103.8

billion to cover the \$59.25 billion trade deficit. Mind you, this was before the credit crisis hit.

Homebuilder confidence fell again to 20 from 22. Robert Toll of Toll Brothers says the turndown in housing since early August has been the worst since 1980-1982 and between 1987-1991.

Foreclosure filings rose 36% in August from July and 115% from a year ago led by California, Nevada and Florida. The number of filings in August, default notices, auction sales notices and bank repossessions were 243,947, the highest since it began its monthly report in January 2005.

Bankrupt American Home Mortgage is attempting to seize as much as \$27 million that employees had set aside for retirement. If they are successful, the employees will never see the money again. Let's hear it for the crooks of corporate America.

Impac Mortgage Holdings will quit most lending and cancel its dividend. Accredited Home Lenders Holding posted a quarterly loss and said its survival remains in doubt. Impac said it fired 144 workers and will stop making ALT-A loans.

Jimmy Rogers says, "If Bernanke starts running those printing presses even faster than he is doing already, yes we are going to have a serious recession." The dollar is going to collapse, and the bond market is going to collapse. There is going to be a lot of problems in the US.

Producer prices supposedly fell 1.4% in October versus a 0.6% increase in July. We suggest the doctored figures were manufactured to prove there would not be inflation to deal with in order to justify cutting interest rates. In other words inflation is under control, which it is not.

Iran has massively cut down its dependence on the dollar in the face of US pressure over its nuclear program and now 70% of its foreign assets are in euros, other currencies or gold. Several European nations have drastically cut business with Iran as a result of pressure from the US, something they will live to regret. 60% of oil exports are in euros.

Alan Greenspan tells us the euro will replace the dollar. That is because the Greenspan era of lower inflation is over.

President Bush's choice for AG, Michael Mukasey, generally has won praise, but Democrats want subpoenaed documents that the Oval Office continues to withhold and until they are forthcoming there will be no AG approval.

There is pressure in Washington to stop home lending to illegal aliens. Opponents of illegal immigration find it preposterous that illegals can own homes and that banks pursue them for loans. Who's at fault – the greedy banks, of course? The IRS gives them a tax ID card, so they can collect taxes and won't give the information to other agencies. States give them driver's licenses to further assist them in breaking our laws.

E-Trade slashed profit forecasts for 2007 profit as it exited the wholesale mortgage business because of large numbers of bad loans. They have set aside \$245 million for losses and on a \$30 billion portfolio that may not be nearly enough.

Denny's will cut 90 jobs to save money. The restaurant chain lost money three of the last four years.

Lord Oxburgh, former Chairman of Shell, has issued a stark warning that the price of oil could hit \$150 a barrel, with oil production peaking over the next 20 years.

For every two homes sold in August, one went into foreclosure in central California. Amador, El Dorado, Nevada, Placer, Sacramento, Sutter, Yolo and Yuba counties have this distinction. The numbers just get bigger and bigger. Prices in Sacramento and Placer counties are off 20% from their highs with 20% more to go.

As the dollar falls, consumption will fall and so will the US economy. That means stagnation and inflation, stagflation. As this transpires American's dominance in all world affairs will wane. As we said long ago, the USDX dollar index will fall to 40 to 55 from its current index number of just over 79. This means higher interest rates, more inflation and a very bad recession if not depression.

That is why the life of the dollar as the world's reserve currency is now limited. The break in the dollar has doomed the US economy and perhaps the world economy as well. We do not have June figures, but we guess that dollar foreign exchange holdings of foreign central banks has probably fallen to close to 60% from 64.75% at the end of 2006. As capital leaves dollar denominated investments, interest rates will rise and inflation will increase, as the Fed has to purchase more and more Treasury paper. That will bring higher unemployment and recession. The recent lowering of the prime rate and discount rate is only a stopgap. While this proceeds we are seeing higher inflation.

Consumer prices fell 0.1% in August as energy prices fell 3.2% and food prices rose 0.4%. We are expected to believe that CPI is up only 2% yoy, try 11.1%.

Energy prices declined 6.6% in August according to the BLS. Gasoline fell 13.8%, natural gas 8.5%, food 0.2%, and computers 3.2%. That is hedonics, so you can see the statistics are what they want them to be.

Foreclosures climbed 36% in Phoenix in August; some 1,093 people lost their homes. It is the first time they exceeded 1,000 in ten years. Homeowners at least 30-days behind in payments rose 29% to 3,203. Arizona is 4th in foreclosures.

The Fed and the bureaucrats have decided along with other central bankers that they will risk an inflationary explosion instead of allowing the system to purge itself of 15 years of more excesses. Though the cost of credit has been reduced, only a few will benefit, Wall Street and the bankers. This is just the latest attempt to allow the elites and The Street to unload crappy paper on the gullible and the goofy. There will be no resumption of "liar loans" or undocumented mortgages and real estate will be allowed to collapse. People with FOIC's under 700 won't get loans.

General Electric only lost \$1.4 billion in the third quarter to exit from its Japanese personal loan business and US subprime unit.

California August home foreclosures soared and there is no end in sight.

Chiquita Brands will pay a \$25 million fine for paying protection payments to Colombian military groups who are professional murderers funded by the Colombians, which is funded by our government. Just more fines and nobody goes to jail.

Another Zogby poll showed only 29% of Americans gave President Bush a positive grade for his performance. That is below the former low of 30 in March.

Only 11% rated Congress positively, beating the previous low of 14% in July.

The index of the mood of the country dropped from 100 to 98.8 due to fears of recession.

The public mood is not dark; it's darker than dark. The mood is getting very ugly said Zogby.

Twenty-seven percent believe the country is headed in the right direction and 62% believe the country is on the wrong track; 63% believe the value of their homes will stay the same or drop next year; 33% expect a recession amid a housing slump and credit crunch; 68% rated economic policy fair to poor and 73% said foreign policy was fair to poor. We are seeing an anti-institution mood. People do not have any faith that anybody is solving their problems.

Housing construction fell to a 12 year low as starts fell by 2.6%. Housing is experiencing its steepest downturn in 16 years with analysts finally forecasting weak prices and further declines in sales for months to come, given rising mortgage defaults which are dumping even more homes on an already glutted market.

House general counsel has directed 13 members of Congress who have been subpoenaed for documents and testimony by the lawyer for Brent Wilkes who has been accused of bribing jailed former Congressman Rep. Duke Cunningham, not to comply. Duke is doing an 8-year stretch. Those summoned were Ike Skelton (D-MO), Silvestre Reyes (D-TX), Duncan Hunter (R-CA), John Murtha (D-PA) and Jerry Lewis (R-CA), all for testimony and documents. Those requested for testimony were Roy Blunt (R-MO), Dennis Hastert (R-IL), Joe Knollenberg (R-MI), Peter Hoekstra (R-MI), Darrell Issa (R-CA), Jim Doolittle (R-CA), Jerry Weller (R-IL) and Norm Deeks (D-WA). It's like a rogues gallery.

On Wednesday the Fed added \$9.75 billion in reserves.

Countrywide Financial is out of the subprime business. They follow HSBC and New Century out of that type of business. Those with better credit must have documented proof of their income and assets. Starting next month, 80% of its mortgages will meet the standards of Fannie Mae and Freddie Mac. That is up from 60% almost nine months ago.

The regulator for Fannie Mae and Freddie Mac reversed policy and will allow the government chartered companies to buy more home loans – an increase of 2% beyond the existing cap of about \$1.5 trillion. Each guarantee 40% of US home loans and can buy \$20 billion each of subprime home loans. This will have little impact on the problem. The reason President Bush wants to limit Fannie and Freddie is that he knows they are on the edge of bankruptcy after having jointly lost \$11.3 billion. Senator Charles Schumer (D-NY) as we reported earlier this month, wants to permit the companies to buy \$145 billion more in home loans. We expect any such legislation would be vetoed by Mr. Bush. Schumer's move is a political one because he knows the problems at Fannie and Freddie and the stand of the president. Freddie Mac CEO Richard Syron says the housing slump may last another 18 months. Try 24 to 48 months.

Absolute Capital Management Holdings, whose co-founder Florian Homm, quit abruptly, stopped investors from withdrawing money from eight hedge funds that manage \$2.1 billion. Clients tried to withdraw more than \$100 million after Homm quit in a dispute over pay from the firm's fund managers. Shares of the company fell 84%. Their main offices are in Majorca, Spain. The funds are holding illiquid OTC shares.

MBA purchase applications rose 9% in the 9/14 week versus 5.2% the prior week. The refi index was up 4.6% versus +6% in the prior week. The 30-year fixed rate mortgage rose 3 bps to 6.29%.

Yale University economist Robert Shiller, who has long predicted this decade's housing market bubble would deflate, said the residential real estate turndown could spiral into the most severe since the great depression and could lead to recession.

Due to a continuing software glitch, the first high-tech "virtual fence" at the nation's borders remains unused, three months after its scheduled debut. It doesn't work.

Any US military intervention in Iran would be a "political error" that would have catastrophic consequences said Russian Deputy Foreign Minister Alexander Losyukov in an interview. He said we are convinced that there is no military solution to the Iranian problem. It is impossible. It is now as well quite clear that there is no military solution to Iraq either.

As Ben Bernanke, via his helicopter, brings us credit from above to bail out the banks and Wall Street, he smells repos in the morning. No matter what they do they will have a very hard time dumping all their crappy paper. The whole world knows what they have to sell and they will have a hard time selling it. That means financial liquidity won't become a reality for a long time unless the Fed buys their toxic waste and they monetize it. Knowing the lenders, since they'll be able to issue cheaper rates for loans, we are

afraid they'll just relax standards by re-popularizing ARMs, especially if more rate cuts follow.

Saudi Arabia has \$800 billion in their future generation fund and the entire region has \$3.5 trillion. Saudi has refused to cut interest rates in lockstep with the Fed for the first time, signaling the kingdom is preparing to break the dollar currency peg in a move that risks setting off a stampede out of the dollar across the Middle East. The Saudi central bank said they would take "appropriate measures" to halt the huge capital inflows into the country, but analysts say this policy is unsustainable and will inevitably lead to the collapse of the dollar peg. The dollar and the US bond markets are now in serious trouble. This week's Fed figures showed a collapse in US bond purchases by foreign central banks. A fall from \$97 billion to \$19 billion in July. America will be stripped of foreign capital flows needed to cover the current account deficit. Wall Street went too far this time screwing bankers worldwide. Now that flight from the dollar has begun it will accelerate until we hit the bottom and the US dollar is no longer the world's reserve currency. If foreigners stop buying Treasury and Agency paper, the Fed will be forced to buy it and that is monetization and that immediately means higher inflation. The current account deficit is expected to reach \$850 billion this year or \$3.4 billion a day and foreign central banks won't be there to fund that debt. These banks have been funding 30% of the debt. Thus, the Wall Street-banker bailout, via two deep interest cuts – dooms the dollar and puts the problem of confidence and trust front and center. The short term palliative will push up long-term interest rates, which will drive up mortgage rates and drive the property market into deeper crisis. The money and credit creation will increase, bringing on hyperinflation, creating a major recession if not depression. The dollar is collapsing and next bonds will collapse sending yields rocketing.

It is no wonder the Gulf States want out. Inflation in Saudi is 4% and M3 is up 22%. In the UAE inflation is 9.3%, a 20-year high and in Qatar it is 13%. This is part due to dollar inflation.

The Cook County commissioner in Chicago wants an 11% sales tax that would include restaurant and hotel bills.

Senate Republicans rejected a bipartisan proposal to lengthen the home leaves of US troops fighting in Iraq and Afghanistan, derailing a measure that war opponents viewed as one of the best chances to force President Bush to accelerate a redeployment of forces. The proposal sponsored by Senators Jim Webb (D-VA) and Chuck Hagel (R-NE) failed on a 56-44 vote, 60 votes were needed. Republicans must have a death wish. They will be harshly defeated in November 2008.

The August LEI reported -0.6% down from +0.7% in July.

In speaking before the House Committee Mr. Bernanke cited all the reasons not to change lending rules for Fannie, Freddie and FHA. Paulson said a number of credit markets were still not functioning as normal. He said any rise in GSE loan limit is to be done in the context of overall reform. Bernanke said if change is not prompt it won't be productive because markets will recover over the next few months. He also said that hedge funds were not a problem and that the complexity in structured financial products were causing difficulty in resolving credit problems. He said strong GSE reforms were needed. When the Fed began to raise short-term rates the mortgage rates didn't respond.

Illegal aliens will be able to obtain driver's licenses under a controversial new plan to be announced by NY Governor Spitzer. The DMV will no longer require applicants to provide Social Security numbers or proof that they are eligible for Social Security cards. They will accept valid foreign passports, previous state driver's licenses and other verifiable proof on a point-based system. Many citizens are outraged, but this

is what you have to expect from liberal politicians. Initially it will cost the state \$1.5 million.

Veco Corp. CEO Bill Allen, an oil contractor, cooperated with the FBI by tape recording phone calls with Senator Ted Stevens (R-Alaska) as part of a public corruption investigation.

Private-equity giant Carlyle group says it is selling a 7.5% share of its general partnership to an investment group owned by the government of Abu Dhabi. The \$1.35 billion sale is only the second time the Washington firm has allowed an outsider to buy into its highly profitable partnership. Carlyle previously sold a 5.5% stake to the California Public Employees Retirement System, which means both are in the Illuminati's back pocket.

California Congressman Democrat Henry Waxman has opened an investigation into the actions of top State Department Inspector General Howard Krongard. Waxman says the allegations were made by several former and current investigators on Krongard's staff that he blacked internal probes into fraud and abuse in State Department contracts worth more than \$3 billion. Part of the allegations are for fraud involving the construction of the newly built US Embassy in Baghdad and into Blackwater USA, the mercenary firm just this week that was banned by the Iraq government for murdering women and children.

A new Congressional study finds that President Bush's plans for the US in Iraq over the next several decades will cost trillions of dollars, on top of the about \$600 billion already spent.

Apple Inc. CEO Steve Jobs has been subpoenaed by the SEC to give a deposition in an option-dating lawsuit against the company's general counsel, Nancy Heinen. This whole gang should have been charged criminally by the Justice Department, but as you know some are more equal than others.

The Israeli bombing attack in Syria was a joint effort with President Bush to destroy alleged nuclear equipment.

Freddie Mac posted 30-year fixed rate mortgages at 6.34% up from 6.31%. The 15's were 5.98% up from 5.97% and one-year ARMs were 5.54%.

The 30-year mortgage fixed rate moved up to 6.34% from 6.31% and it will move up further next week as foreigners sell US Treasuries driving the yield higher and hence to rate on mortgages.

On Friday the Fed added temporary reserves to the banking system Fed funds traded at 4.75%.

A 28% cut by GM in the first half of the year contributed to an overall decline in US ad spending. Ad spending fell 0.5% with the biggest declines in network radio, down 8.5% and national and local newspapers down 5.9% and 8.9%.

George and the neocons are softening their opposition to Democratic proposals to expand the giant, near bankrupt, government-sponsored mortgage finance companies called Fannie Mae and Freddie Mac. The House Financial Services committee believes about 500,000 homeowners, or 25% of two million who have subprime mortgages scheduled to reset to higher interest rates over the next 18 months, were likely to lose their houses. We estimated about 50% long, long ago.

Democrats would allow Fannie and Freddie to add billions of dollars' worth of additional toxic mortgages in behalf of American taxpayers who get stuck paying for mortgages for speculators and those who should have never had mortgages in the first place and have no way of paying for them.

Treasury Secretary Paulson plans to tell congress that the Bush administration will allow Fannie Mae and Freddie Mac to temporarily buy, bundle and sell as securities loans exceeding \$417,000, in addition to the end of opposition and the tightening of

federal oversight, which means absolutely nothing. It is a way of injecting credit into the real estate market.

The gamblers believe that the credit problems are over. There have been dramatic falls in the cost of protecting against corporate debt default in the credit derivatives markets ahead of the regular six monthly introductions of new indexes.

In Europe the spread on the ITraxx main index of investment grade companies fell 7 bps to about 37.25 bps, meaning it now costs \$52,150 annually to insure \$14 million in debt against default over five years. The ITraxx Crossover of mainly junk rated names also tightened with spreads 38 bps lower, about 272 bps.

The US story is similar with the CDX investment grade index 1.75 bps tighter at 58.25 bps in late trade with the CDX Crossover 7 bps lower at 205 bps.

The number of laid-off workers filing claims for unemployment benefits fell to the lowest level in seven weeks as benefits totaled 311,000 last week, a drop of 9,000 from the prior week. The 4-week average fell to 320,750 from 324,250.

The Conference Board index of leading economic indicators fell in August 0.6% after a 0.7% increase in July. This is an indication of where the economy is headed over the next six months.

Manufacturing in the Philadelphia region accelerated more than forecast this month as the economic index rose to 109.9 after a reading of zero in August. Increased foreign demand due to a lower dollar helped offset slower consumer spending and the slump in housing.

Hundreds of universities, including several top schools, ignore or pay little heed to students' scores on the writing section of the SAT in admission decision, skeptical about how well the essay reflects writing skills. This is very frustrating to students after years of hard diligent study. It is no wonder we have such an illiterate society.

Freddie Mac will release the payment of delayed property taxes in a dispute with American Home Mortgage. It is a disgrace that they ever withheld the tax and insurance payments.

The US has signaled its willingness to limit trade-distorting farm subsidies to a level of between \$13 and \$16.4 billion, bringing some life into world trade talks, say the WTO farm negotiator. Present subsidies are \$23 billion.

Melvyn I. Weiss, a leading class action securities lawyer, is expected to be indicted in connection with a kickback scheme that has censored his firm Milberg Weiss and several former lawyers there. Last year, prosecutors in LA initially charged Weiss paid \$11 million in kickbacks to plaintiffs in more than 150 cases, a strategy that allowed it to beat other firms to the courthouse and earn more than \$216 million in fees. The US Attorney in LA will lead the Justice Department prosecution.

The Senate voted against considering a measure to give Guantanamo detainees and other foreigners the right to challenge their detention in US courts. The vote was 56-43 with 60 needed for passage. The Republicans wanted to insure their defeat at the next election. The bill would have allowed foreigners the right of habeas corpus. They now are locked up without review by a court. The opposition leader on the bill was Lindsay Graham, a South Carolina republican, a member of the CFR and an elitist Illuminist.

Nevada still has 5,000 households that went into foreclosure in June, a 215% jump from June 2006. The layoffs in real estate, title insurance and construction have been massive. New unemployment claims are up 34% in July and that doesn't count all the illegal aliens who have been let go. Taxable sales have fallen 0.3% in June yoy, and there is still 4.4 million square feet of shop space under construction in Southern Nevada.



Now that the punch is back in the punchbowl, the Dow gained 2.8%, increasing ytd gains to 10.9% in the face of one of the worst credit collapses in history. S&P rose 2.8% as well and the Nasdaq 100, 2.4%, up 16.7% yoy. Telecommunications rose 3.3%, or 19.9%ytd, and broker/dealers fell 4%, banks 7.7%. Gold bullion rose \$23.90 and the HUI surged 9.4%, up 18.2% ytd.

The 2-year Treasury bill was unchanged at 4.04% and the 10's jumped 16 bps to 4.62%. The German 10-year bund surged 19 bps to 4.36% only 26 bps below the US 10's. That makes the bund far more attractive than the 10's.

Bank credit increased \$11.4 billion to a record \$8.92 trillion after a 7-week surge of \$284 billion, or \$628 billion ytd, or a rate of 10.6%. Securities credit surged \$26.9 billion, loans and leases fell \$15.5 billion, a 7-week gain of \$200 billion. C&I loans rose \$12.5 billion, real estate loans added \$0.2 billion, and consumer loans fell \$10.0 billion. Securities loans were unchanged and other loans fell \$17.1 billion.

M2 fell (narrow) \$17.3 billion having expanded \$305 billion ytd, or 6.1% annualized, or 6.9% yoy.

Total commercial paper dropped another \$48 billion to \$1.869 trillion, raising the 6-week decline to \$354.4 billion. ABS-CP fell another \$15.9 billion, a 6-week drop of \$244.5 billion. Year-to-date total CP is now down \$105.2 billion, with ABCP falling \$155 billion yoy. YTD CDO issuance of \$260 billion is running 5% ahead of 2006 sales.

Fed foreign holdings of Treasury, Agency debt rose \$6.2 billion to \$1.98 trillion. Custody holdings for central banks were up \$235 billion ytd, or 18.4% annualized and \$314 billion yoy, or 18.8%.

Asset-backed securities, ABS, insurance increased \$7.2 billion and ytd it is up \$453 billion, or 29% behind 2006. At \$209 billion ytd home equity ABS sales are 49% below 2006.

The dollar index fell 1.3% to 78.60, a clear breakdown with 72-75 the next stop. The big gainers against the dollar were the New Zealand dollar +5.3%, Australian dollar 4.0%, Brazilian real 2.8%, the South African rand 3.1%, the Canadian dollar and the Swedish Krona 2.7% and the euro 1.6%. The Japanese yen fell 0.3%.

Gold jumped 3.4% to \$731.50 and silver 7.2% to \$13.62. Copper rose 5.9%, oil was up \$3.53 to \$81.62, gas up 3.5%, and natural gas fell 3.2%. Wheat was unchanged. The CRB surged 3.8% or 8.4% ytd and the GSCI jumped 3.5%, or 25.5% ytd. The latter would have been considerably higher if Goldman hadn't recast their index 13 months ago.

The world economy is at the most crucial point since the great depression as the subprime fallout crisis limits access to credit worldwide. This is the closest to a big meltdown, a depression like meltdown in 78 years. The housing market is an unmitigated disaster. It will continue to drag the economy down.

In California 59% of respondents believe bad times are on the way over the next 12 months, a jump of 10% since June.

The number of foreclosure filings reported last month more than doubled versus August 2006 and jumped 36% from July. 243,947 foreclosure filings in August, up 115% from 113,300 in the same month a year ago. This is the beginning of a major one-year wave. August bank repos jumped 42,789 versus 20,116 yoy, and in July there were 26,842. Leading the pack were Nevada, California and Florida. In California that is one filing for every 224 households. They had 57,875 foreclosures, up 49% from July and 300% yoy.

Finally we see estimates of 50% of subprime failures in the media. The experts are only 27 months late.

The Fed is attempting the unsustainable. Their reaction is nothing less than classic credit bubble dynamics. All the Fed has done is try to recapture the credit access

and bubble perpetuation, which is an exercise in futility. This is just a postponement of a bigger adjustment process to come.

Alantos Pharmaceuticals sold to Amgen in July, will eliminate 45 jobs in Massachusetts and Germany.

As we predicted Blackwater USA, the American mercenary company, after being banned for three days for murdering women and children are back on the job. You cannot cut off big campaign contributors. What the Iraqi government wants is of no consequences. There is a government investigation, but as usual, it's secret. All Blackwater mercenaries have "get out of Jail free" cards and they do exactly as they please.

\*\*\*\*\*

From a fellow subscriber:

Bob the Charlotte County, FL school board held a special election on Tuesday for an increase in state tax in Charlotte County to 7.5 %. They held it in a special election since they said they needed the money for rebuilding schools. The tax would have stayed on for 20 years. They thought it was a done deal. Surprise .... voters turned out and defeated it by a 3 to 1 margin. Anti Tax sentiment is high in the county.

\*\*\*\*\*

### **PREMEDITATED MERGER**

Corsi: Bush could elect Hillary

Says GOP risks loss by ridiculing questions about 'North American Union'

[http://www.worldnetdaily.com/news/article.asp?ARTICLE\\_ID=57780](http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=57780)

Posted: September 22, 2007

1:00 a.m. Eastern

\*\*\*\*\*

### **COMMODITIES**

Australia has cut its crop forecast for wheat, Canola and barley by 31% because of dry weather, exacerbating global shortages and has driven prices higher.

Oil inventories for last week fell 3.8 m/b, gasoline rose 400,000 barrels and distillates rose 1.5 m/b.

Natural gas inventories were +63 bcf. A year ago they were +93 bcf and last week +64 bcf.

### **GOLD, SILVER, PLATINUM, PALLADIUM AND URANIUM**

On Tuesday, gold was up \$10.00 twice and it got knocked down twice and ended up \$0.30 at \$715.00. Silver was up \$0.18 to \$12.77. The gold attack we believe, as we indicated in Monday's commentary, came from the sale of leased gold. The dollar got slammed and rightly so. A .50% prime cut and .50% discount rate cut is disastrous for the dollar, foreign purchases of dollar denominated assets and for the American economy, all to please Wall Street. It means inflation will be 15% to 20% by the end of 2008, and gold will be above \$2,000 and silver \$50.00. Get in on the fun this will be a great ride. The yen fell 1.19 to \$1.1618 in order to fuel the carry trade and push US stock markets higher. The euro rose .0105 to \$1.3970, the pound rose .0190 to \$2.0120, and the Canadian dollar rose 1.39 to 98.67. The dollar index fell .48 to 79.060, a new low and an all-time breakdown. Oil rose again to \$81.51, up \$0.94, gas rose \$0.02 to \$2.06

and natural gas was -\$0.08 at \$6.57. The access aftermarket in gold was up \$10.50 in the December contract that finished at -\$0.10. The 2-year was 3.97% and 10's were 4.47%. The Dow was up 336 at 13,739 as all the guns on Wall Street let loose, the yen fell and the PPT was rigging the market. Do not forget this was the 8th consecutive close above \$700. The Nasdaq rose 420 Dow points. Yes, this was yet another Wall Street – banker bailout. During the Monday Tocom session the big shorts cut their net short position by 6,036 contracts to 68,108. The silver OI was cut 33 contracts to 3,023. Goldman covered 129 shorts to net 14,350. The HUI closed at its highest level since May, up 12.96 to 378.37 and the XAU gained 5.80 to 164.15.

The ECB tells us two central banks sold a total of 2.37 tons of gold versus 3.75 tons last week. It should be assumed the Swiss are selling - 34 tons a month, which would put the selling above 9.6 tons a week.

The Bank of Spain, the largest seller of gold this year under the central bank's gold agreement, plans no more significant sales in gold, which is likely to put upward pressure on prices.

The end of Spanish sales probably will reduce next year's central bank gold sales and improve sentiment in the bullion market as the gold price moves higher.

Spain sold about 149 tons, or 37% of the total 399 tons sold by central banks in industrialized countries. Spain was the second largest seller with 99.2 tons.

Early Wednesday saw lots of pluses. The Dow up 45, S&P 58, Nasdaq 5 and FTSE 220 Dow points. The CAC +132 and the DAX +142, a reflection of yesterday's Dow spirit. The yen +.04, the euro -.0023 and the pound -.0073. The 2-year was up to 4.02% and the 10's 4.52%. Oil +0.67, gas +\$0.02 and natural gas +\$0.01. Gold held its access market gains, up \$7.80, silver +\$0.21 and copper +\$0.07.

On Wednesday gold had a good day, but it could have been much better had the gold cartel not leaned on us again. We cannot wait to see the commercial's short position on Comex on Friday. We suspect the new additions for the past few weeks will aggregate 80,000 to 85,000 contracts. The last two weeks total was about 60,000 net. Gold was up \$5.70 at \$720.70, silver rose \$0.16 to \$12.93 and copper boomed \$0.13 to \$3.58. The Dow was up over 100 most of the day finishing up 76, S&P up 83 and Nasdaq up 89 Dow point. My guess is the PPI will try to hold the averages here. The Dow was at 13,816. We have had many bullish gold and silver factors, but sentiment still stinks as gold and silver still is on no one's radar screen. Build it and they will come and when they do they will make you rich. This is not unusual when you have such ignorance in our society today. The lemmings will buy at \$3,000 gold or higher and that is just fine. We'll need someone to sell our gold numismatic coins, silver and shares too. Incidentally, all the traffic on pro-gold sites is off 25% to 35% and Goldseek's is up 25%. They are clearly now the number one gold and silver site.

Gold open interest rose 5,353 contracts to 392,748. Silver open interest rose 1,612 to 109,750. Copper rose 3.87%, zinc 4.38%, nickel 9.07%, lead 2.29%. Oil rose again +\$0.42 to \$81.93, gas +\$0.03 to \$2.09 and natural gas was -\$0.39 to \$6.18. The 2-year was 3.99% and the 10's 4.53%. The yen fell \$0.30 to \$1.1609, the euro fell .0013 to \$1.33960, the pound fell .0109 to \$2.0010, the Canadian dollar fell .13 to 98.51 and the dollar index was up .16 to 79.22. On Tuesday the big Tocom shorts covered 4,199 to 63,909, Goldman increased their gold shorts by 42 contracts to 14,392. The same group cut their silver shorts by 70 contracts to 2,953.

Peru's gold production fell for the 13th straight month in July as Newmont's production at Yanacocha declined again. Production countrywide fell 23% yoy.

Christopher Wood of CLSA says market ructions and a collapse of the dollar could send gold prices to more than \$3,400 an ounce within the next three years.

Thursday's early prices were bad for them and good for us. The Dow was -27, S&P -56, Nasdaq -45 and the FTSE -100 Dow points. The CAC was -55 and the DAX -40. The yen was +.58, the euro +.0068 and the pound +.0054. The 2-year Treasury note was up to 4.01% and the 10's rose to 4.57%. Oil was plus \$0.17, gas +\$0.01 and natural gas -\$0.09. Gold was +\$6.60, silver +\$0.18 and copper +\$0.01.

Those who have invested in India's gold ETFs, Exchange Traded Funds, are happy these days, as returns from these funds have performed much better than several stocks in the country's stock exchange. In fact, the gold ETFs have outperformed Sensex by 5.22% to 4%.

The three gold ETFs are likely to create a wave, challenging the last known investment options like mutual funds and equity markets.

The antics of gold have to have unmistakably indicated to any professional that the US Treasury, the Fed and other central banks are attempting to rig the gold price and that they have been for years. To deny such official sector intervention is to be willfully blind. Such complicity or stupidity forfeits any right to be seriously listened to when it comes to gold commentary. One such cretin and buffoon is Leonard Kaplan of Prospector Asset Management, who for all intents and purposes, has almost never been right. The elitists and their front man Sir Alan Greenspan blew by keeping interest rates too low too long and pumped altogether too much money and credit into the system. Now as a result the credit market has dislocated, liquidity has evaporated and Mr. Bernanke is experiencing a historically challenging real-world first test. As we have seen his handlers have instructed him to capitulate to Wall Street, the banks and the unregulated offshore hedge funds. The Fed and the media will tell us we've been saved from a fate worse than death, but they will conveniently fail to mention that the result of Fed actions is hyperinflation and the destruction of their currency the dollar. Anything to bail out the moneyed elites. The actions taken are a bailout and a short-term fix during which we are assured that inflation is also non-existent. The effect on the dollar will be fatal and gold and silver will be the beneficiaries. This, as you have already seen, is not going to be an American event, but a worldwide crisis. The Illuminists wanted the world interconnected and now they have spread financial havoc to every country. Everyone holding dollars has to lose 1/3 to 1/2 of their forex purchasing power and they have no gold or silver to offset those losses, the Illuminists have had them sell it all.

Any professional has to now know that perpetual liquidity has to be pumped into the markets to avoid financial and economic Armageddon. Physical gold buying has been and continues to be stunning, something the elitist never figured on.

In July alone Turkish gold imports rose 45 tons putting consumption up 328% yoy. That exceeded the May 2006 record by 36%. Monthly mine production is only 200 tons. One market alone is taking off almost 25%. That is how powerful this gold rally really is. The elitists have had the Spanish and the Swiss dumping 25 and 35 tons a month just to try to keep the lid on upwardly moving gold prices. As you can see, the gold suppression cartel is in desperate straights. For all their trouble they are accomplishing very little and the Swiss and Spanish governments have to be furious having been forced by the Illuminists to sell gold. This gold rally, the past three weeks, couldn't be stopped by the Comex commercials or the sale of leased gold bullion sales.

Barrick President Greg Wilkins and CFO Jamie Sokalsky have proclaimed "peak gold." They say research shows world gold production has peaked and that we might expect a 10% to 15% drop in overall mine supply within the next 5-7 years, with obvious positive implications for the gold price.

Just after that announcement Wilkins exercised 100,000 options and sold the shares for a \$1.1 million profit and Sokalsky sold 35,000, a \$23.80 and 90,900 more for

a \$775,000 profit. You might say they were first in the lifeboat ahead of the women and children. Wilkins owns 47,000 shares and Sokalsky none.

On Thursday gold rose again up \$11.00 to \$731.70, silver jumped \$0.38 to \$13.31 and copper was up \$0.09 to \$3.59. The news of the day was the thorough breakdown of the dollar. The yen rose 1.38 to \$1.1458, the euro +\$.0094 to \$1.4065, the pound +\$.0036 to \$2.077, the Canadian dollar +1.25 to 99.76 and the dollar index fell .71 to 78.48, a new low. For gold it's the most days over \$700 ever and a strong technical omen. Oil added to the fire, up \$1.39 to \$83.32 another new high close. Gas was +\$.05 to \$2.14 and natural gas -\$0.17 to \$6.01. The 2-year Treasury rose to yield 4.11% and the 10's were 4.71%. The Dow struggled as the yen carry trade got hit -49, S&P was -93 and Nasdaq -74 Dow points. On Tocom on Wednesday the big shorts net short open interest hit a new low as they cut shorts 7,393 to 56,516. The Goldman short fell 788 to 13,604. The same group reduced their net short by 80 to 2,873. As this transpired on Thursday, gold closed over \$700 for the 9th straight day. After adjusting for official inflation the 1980 price of \$850 would reflect \$2,079, but reality says it is closer to \$2,500. Throughout Europe we are seeing a lack of supply of Krugerrands and 50 peso coins and thus, premiums have rocketed. The XAU rose 6 to 172.15 and the HUI closed up 17.31 to 400.94 to hit a new recent high and a clear breakout. You buy heavily on signals like this and be patient. Remember, you are only a handful of people who really know what is going on.

On Friday gold was up \$5.00 – down \$5.00 and then had to fight its way back in the final hour. Gold closed at \$731, down \$0.70 and silver was the star today, up \$0.18 to \$13.49. That is 11 days in a row over \$700 gold - a record. In the gold market it could have been the cartel as sellers but it could have been profit taking in front of the weekend as well. The gold commitment of Traders Report showed large specs long 14,981 additional net longs. The commercials did not add to shorts, they covered a net 14,710 taking them down from 60,000 new shorts to 45,300, which surprised us. That means there was considerable physical selling by central or via leasing-sales. Gold open interest rose 18,690 contracts to 414,575, which is close to its previous high of 423,000. Silver OI rose 4,142 contracts to 113,169. The yen was -\$.39 to \$1.1533, the euro +.0021 to \$1.4087, the pound \$2.0202 up .0122, the Canadian dollar +.07 at 99.94 and the USDX dollar index +.01 to \$78.50. The 2-year Treasury bill ended yielding 4.06% and the 10's at 4.63%. Oil fell \$0.06 to \$81.62, gas -\$0.02 to \$2.11 and natural gas +\$.07 to \$6.08. The Dow was +53, S&P +63 and Nasdaq +102 Dow points. Copper was unchanged. The XAU fell .25 to 171.88 and the HUI dropped 1.26 to 399.68.

Silver lease rates have fallen to terms that are now negative in order to attract leases to suppress silver prices. This means there is no carry trade in leased metals and no lease overhang of borrowed metal. PM leasing is dying and we could well see a scramble to cover. In addition, we believe that England and the US no longer own gold. The move in gold has been created by persistent physical demand, which has overwhelmed supply and central bank physical selling as well as shorts in futures and naked derivative shorts. The same may be happening in oil as well. For years financial professionals have avoided confrontation regarding the lies and deceptions of the central banks and other elitists. Now the great holders of wealth know they have to exit the dollar and can't pile into the euro without damaging both currencies. We believe these big hitters have finally stepped into the gold and silver markets big time and they will continue to do so, as we predicted long ago. It is the only realistic way to dump dollars. Financial and monetary turmoil has begun and it is going to go on for a long time.

In an unbelievable watershed week for gold, so many records have been shattered that only the 1980 highs remain intact, although granted, in real terms, gold would be far behind the 1980 levels, on account of a long period of ongoing, insidious inflation, even if

it did hit 850! When the system finally builds inflation into gold prices as the dollar plummets to its true, debauched value due to the devastating affect of inflation, gold is headed for four figures and may eventually even break into five figures the way things are going. As we mentioned in our last issue, on Tuesday, after the wild Fed cut unleashed it, gold shattered the 2006 record for the most active gold futures contract, in this case, December, by breaking the 732 electronic trading record of 2006 to set a new 26 year high of 735.50 in electronic trading. On Thursday, another banner day for gold, gold crunched the 2006 record for the lead contract, October in this case, resetting the bar at a whopping 746.30 for another 26 year high, while at the same time nuking the previous 2006 spot gold record of 730 by exploding to a new 26 year high in the 738-739 range depending on which site you were looking at. Spot gold added another dollar per Troy ounce to the spot gold price on Friday, moving into the 739 to 740 range, before moving back to consolidation mode to close at 731, a dollar per ounce above the previous 2006 high of 730.

The Fed has all but abandoned the dollar, and the only support we see coming is from some profit-taking on stronger currencies as well as possible moves by other central banks to ease rates, in sympathy with the Fed's move, to boost sagging markets in their home zones and to ease some of the pressure on the dollar as the credit-crunch crisis continues to crunch financial bones like those of Northern Rock and Barclays. But if they do that, they will unleash another round of speculation, profligacy and Weimar-type inflation that will completely destroy the world financial system in very short order.

The credit markets sat on a low-risk wall, the credit markets had a great fall, and all the Fed governors, central banks and Treasury men, could not put the credit markets back together again. The credit markets and the dollar are now both broken beyond repair, and not even Superglue can hold them together.

We would like to point out one glaring bit of manipulation that occurred this week. When the Fed made its shocking announcement of capitulation to Wall Street criminals on Tuesday, the dollar tanked against all major currencies, with one exception. Can you guess which one that was? We'll give you a hint - it is the main currency of the carry trade. That's right, while all other currencies were literally hammering the dollar, the yen was in full retreat, moving from 114.93 yen per dollar on Monday, to 115.75 on Tuesday, to 116.21 on Wednesday. If you ever wanted proof in spades that the yen is the most manipulated currency in the world, here it is, in yo' face, Cleopatra comin' at ya'! For anyone who, through almost impossible naivete, is still sitting on the fence about whether markets are manipulated or not, let this remove all doubt, let this be the end of your innocence. This weakening of the yen was a counterweight to the massive downward pressure on the dollar and ensured good upward market action as the carry traders were spurred into action. Any professional trader worth his salt knows that the Fed's move is just a temporary fix and that it will be back to reality in the very near future when the next shoe drops, so the Fed was hedging its bets with the carry trade to make sure they got a strongly positive response from the markets in order to restore some confidence and positivity. A large portion of the gains this week in the regular stock market sectors like the Dow and the S&P were due as much to short-covering and carry-trading hedge fund support as they were to a positive reaction to the Fed's announcement, so don't put too much stock in the meteoric rise of these markets this week. You can expect the yen to weaken in the short-term as the PPT attempts to push back through 14000 on the Dow. The PPT cannot do this on its own anymore due to unparalleled market weakness, and needs the carry-trading large specs to pull it off.

Large specs should now load up on long-term yen calls while the yen is weakening as this may be the last time they ever see the yen at such weak levels again. These

protective yen calls will protect against a yen-hit on gold, which we have no doubt is on its way in yet another vain attempt to contain the price of gold.

Speaking of yen-hits on gold, on Thursday, a sense of reality was restored as the yen was manipulated from 116.21 yen per dollar back up to 114.18, and from 162.113 yen per euro on Wednesday back up to 160.903. This was the real reason that the stock markets back-tracked on Thursday. Boy, did the cartel ever get back-handed by gold on Thursday, as gold went on an unbelievably raging tear from 721 to 739 while the stock markets got hammered. So much for yen-hits on gold. This strategy may work again when gold tops out, but this is a nuclear option, especially when you consider that earnings season commences in October for the third quarter, an earnings season that could get very ugly. A yen-hit on gold under these conditions could very well create an all-time debacle that might be termed the "Blackest October!" So we say to large specs who have not loaded up on long-term stock index puts and yen calls to protect their gold positions - a word to the wise is sufficient.

What we are seeing now is deregulation blowback from the markets. Self-regulation is fine if the institutions involved are by and large very scrupulous, and are run by men of integrity, with a trustworthy system of regulatory agencies watching over them. But Wall Street is a pirate ship on steroids, filled with drunken reprobate pirates who would sell their own mothers into slavery for a buck. We ask how self-regulation, promoted by our "beloved" Treasury Secretary on loan from Goldman Sachs, can take place in a financial community that is morally bankrupt? If the financial industry had been properly regulated and transparency had been maximized, the precise opposite of what the Fed has fostered, everyone would know where the damage from the CDO fallout existed, and the remaining players in the markets could continue to lend with confidence, thereby either completely curtailing the credit-crunch or making it much more manageable. But what with brokers being affiliated with banks again, damaged assets being hidden offshore, hedge funds operating in total blackness using convoluted black box formula's that have created an LTCM debacle on steroids, rating agencies being in bed with investment bankers, economic statistics being in what can only be described as "fairyland," federal officials being little more than Wall Street transplants, unending and unabated market manipulation by our own government that is cheered on by the SEC and a diabolical bunch of Illuminist, reprobate trillionaires pulling a bevy of levers behind closed curtains, any hopes of regulation, transparency and integrity are so impossible that the entire concept is hysterically laughable under the present scenario! So Wall Street can reap the whirlwind it has created. Justice may be slow in coming, but its arrival is inevitable.

We also thought we might share yet another unpleasant thought that no one seems to want to talk about. We have not heard this possibility mentioned anywhere, in fact. Not in the media, not in newsletters, not anywhere. Many of you may remember 1980 and the wild inflation that drove mortgage rates up to crazy double-digit levels for several years, raising payments to extremely high levels and greatly curtailing the value of real estate at the time. With the Weimar Republic on the horizon in the US and frankly worldwide, it is quite possible that hyperinflation and unbelievably high risk could drive mortgage rates to those levels again in very short order in the present day. This could happen at the very moment that real estate market is bottoming out from adjustable rate resets and send real estate prices down into the pits of financial hell! You think rate resets in the 7% range or jumbo loans in the 8% to 9% range are a problem? Try and see what happens to real estate values when mortgage rates reach 14%, 15% or more! At that point we will be saying "what real estate market?" This is not just some fanciful thought, this could really happen and in fact is very likely to happen. You think we have problems now? This is only the tip of the iceberg!

While not yet breaking into record territory, silver is laying down some patch with flames flaring off its tires as it tears down the highway like a roadrunner, outperforming gold once again and shaving its ratio with gold from 56 to 1 to 54 to 1. After treading water on Wednesday in the 12.90 to 13.05 range, silver ripped the cartel a new one, kicking in its afterburners to rocket from 12.90 to just shy 13.50 before closing at 13.31.

On Friday, the rear thrusters kicked in, propelling silver from 13.31 to almost 13.65 before pulling back to close at 13.49. Oil is unstoppable, setting another all-time high for the lead contract on Thursday with a close of 83.32, up 1.39, so 80 oil is now old hat and is here to stay as peak oil and inflationary pressures continue to propel oil to profit-killing, PM-friendly levels. Not to be outdone by the PM's, their stocks went absolutely wild, setting all-time highs in a resounding breakout that has to have the cartel sweating bullets. The PM stocks are supporting PM's in championship fashion. The XAU vaulted to an all-time high on Thursday, breaking its closing peak of 168.62 set on May 10, 2006, to close at an incredible 172.13, while the HUI also went ballistic, breaking its closing peak of 394.32 also set on May 10, 2006, to close at a stupendous 400.94. But the XAU and HUI were not done yet because on Friday, the XAU blasted through its intra day peak of 171.71 set May 11, 2006, flying to a lofty new intra day peak 173.17, and the HUI did the same, forging its way from its old intra day peak of 401.69, also set on May 11, 2006, to a new and impressive intra day peak of 402.27. We remind you that on August 16, the XAU closed at 125.64 and is now up 37%, while the HUI closed that day at 300.14 and is now up 33.5%, so we ask why anyone in their right mind, with returns like these, would even be considering the non-resource stock sectors?! We can assure you that the stampede is just getting started. So hang onto your hats because we are really smokin'!

The dollar, oh the dollar, let us send up a lamentation for the dollar! The USDX set an all-time low of 78.43 in September, 1992. On Friday, the USDX plummeted to 78.398 before recovering to 78.597 per the ICE site. So you can see that we are on the cusp of dropping into unexplored territory on the dollar front with nothing but trouble on the horizon in every direction. This is the main propellant which is rocketing the PM's into the stratosphere like ICBM's. This trend will continue as the stampede out the exits accelerates. Gold and silver can go nowhere but up from here, so you better start taking your positions in them if you have not done so already. BE THERE, OR BE SQUARE!!!

\*\*\*\*\*

THIS WEEK IN COINS:

**MELODY CEDARSTROM**

"The desire of gold is not for gold. It is for the means of freedom and benefit".

Ralph Waldo Emerson 1803-1882

The benefits of owning semi-numismatic coins flourished in the past few weeks. You add this week's increase to the prior month and gold had a fairly pleasing run for two months. I think it is important to show how the semi-numismatic coins can react when true supply and demand fundamentals come into play.

August 1<sup>st</sup> gold was approx. \$663 gaining a little over 10% with today's high of \$732. Listed are gains for the \$20 Liberty gold piece certified.

MS61 \$20 Liberty 21%

MS62 \$20 Liberty 20%

MS63 \$20 Liberty 21%

MS64 \$20 Liberty 28%

MS65 \$20 Liberty 11% this represents a \$400 gain as this coin sells for over \$4300.



Most of the St. Gaudens carried similar gains for the same time frame. However the MS64 \$20 Liberty seemed to be the true under priced coin. In fact it still is. This coin today sells for \$1760 but still \$450 off the high of May 2006 allowing you to capture an easy 24% and another 200% from the historic high.

1oz American Gold Eagles the first of August cost \$708. You could purchase two for the total cost of \$1416. At the same time the MS64 \$20 Liberty cost \$1375 but most people believe two coins are better than one. They are not.

In fact, if you spent \$10,000 on Aug. 1, American 1oz Gold Eagles cost \$708 and your \$10,000 investment would net you 14 coins. A \$10,000 investment of MS64 \$20 Liberty priced at \$1375 would give you 7 of them. Here is the outcome.

MS64 \$20 Liberty	1oz American Gold Eagle
-------------------	-------------------------

7 x 1375 = \$ 9,625 August 1	14 x 708 = \$ 9,912 August 1
------------------------------	------------------------------

7 x 1760 = \$12,320 Sept. 21	14 x 777 = \$10,878 Sept. 21
------------------------------	------------------------------

A gain of \$2,695.	A gain of \$ 966.
--------------------	-------------------

An additional \$287 can be warranted to the \$20 Liberty because of the lower initial cost. What if you had spent \$50,000? \$100,000? Significant gains lost because you thought owning more coins is better.

If the vast majority of people were given a choice between these two coins most would prefer 14 coins over 7.

Most coin dealers will sell whatever profits them the most. My goal is to offer coins where you make the most profits.

This week a chief strategist at Hong Kongs CLSA whose largest shareholder is the world's 7<sup>th</sup> largest bank by asset value feels, "market ructions and a collapse of the dollar could send gold prices to \$3,400 an ounce or MORE!! This is just another acknowledgment for gold to rise beyond all wildest imaginations by a foreign entity. Why is it so hard to imagine? That is a little less than five times.

Politicians by design are devaluing the purchasing power of every dollar you own. They are effectively confiscating your wealth to help the country pay off its debts and to kick start the economy again, including the housing market. Pay attention. Your dollars are being devalued as they purchase less and less in the months and years ahead.

You can do nothing and continue to lose as the dollar goes or you can take control and begin to protect you assets. There are many different products available for the gold and silver buyer. Protect your real wealth by owning gold and silver coins. You should own 80% gold and 20% silver. Always take possession of your product. Never sell your gold for paper investments. Shipping should never take 6 or 8 weeks.

You purchase semi-numismatic (not numismatic unless it is suitable for you) gold and silver as insurance against risk, and an investment for rarity and gold content free of confiscation under current law. This set of coins, not rare coins, will give you a higher degree of return as they are priced to the spot price of gold with the additional benefit of supply and demand value. These coins offer privacy, portability, security, and easily liquidated.

For help in getting started on your Self-Directed Precious Metal IRA, call Discount Gold and Silver Trading 1 800 375 4188

*Discount Gold & Silver Trading Co.* provides all forms of precious metals including gold, silver platinum and palladium whether you are buying or selling. Our inventory includes but not limited to the American Gold, Silver, Platinum Eagle and numismatic products including rare, investment and circulated coins. Silver dollars, silver bars, rounds are on hand for the silver investor. Foreign gold is also available.

Visit our website: [discountgoldandsilvertrading.net](http://discountgoldandsilvertrading.net)

email: [discountgoldandsilver@yahoo.com](mailto:discountgoldandsilver@yahoo.com)

Call: 1 800 375 4188

\*\*\*\*\*

## **CANADA**

August CPI was up 1.7% yoy.

The Alberta Royalty Review Panel has issued a report calling for massive new government taxes and massive new government intervention in the Athabasca Tar Sands. The report is shocking for investors. New taxes to be imposed will take the Province's royalty rate from 25% to 33% and oil sands developers could be hit the hardest with proposals forecast to increase the government's share to 64% from today's 47%. We thus recommend the sale of oil, gas and tar sand oil properties that are based in Alberta.

Canada is bracing itself for a massive wave of illegal aliens coming from the US. Most of these people have been in the US for 5 to 15 years. The first of the exodus is coming from Florida, as more and more illegals are picked up and deported. About 180 have now hit Windsor, Ontario and local agencies are bracing for another 8,000 shortly, who are applying for refuge status. The Salvation Army already has 50 families, some with 7 to 9 children per each family. They say they are being inundated because of the US crackdown on illegals. Once these people enter Canada they cannot return to the US. Canada either accepts them or flies them to Mexico. Mexicans do not need a visa to enter Canada as they do for the US. Few will have a successful refuge claim and they are essentially guests of the taxpayers. Some have US bank accounts they cannot access and others are destitute. They will receive \$548 per month for individuals and \$1,193 for families with two children under 13.

July retail sales decreased 0.8%. Without auto sales it was down 0.3%.

\*\*\*\*\*

### **From a fellow subscriber:**

Going to write to Bob with a couple of questions I have but while I am here...I was in Toronto @ the Bank of Nova Scotia this week and buying a few gold coins & discovered that if a person rather than buy Gold Maple Leafs with a 8% tax, a person can buy Scotia Bank gold coins and there is no tax on them and no refining charges. Date of purchase: Tuesday the 18th, 2007 ( 9:30 am.) - 1 oz. gold coin (Scotiabank coin) = 372.00 - 1 oz. Gold coin (Sotiabank coin = 188.00 - if Gold Maple Leaf coins were purchased they would have had to pay 10 % tax on them. Not here - found this a good way for families to pay back other family members they may have borrowed from in the past. Better than giving them back simply paper money.

\*\*\*\*\*

## **EUROPE**

Sweden's 2nd quarter GDP was 0.9% up from the first quarter and 3.5% yoy.

Switzerland's 2nd quarter industrial production rose to 6.7% q-o-q and up 9.8% yoy.

Finnish unemployment was unchanged at 5.9%.

President Putin will visit Tehran, Iran on October 16th to participate in a summit of Caspian Sea littoral states and hold talks with the Iranian government.

German investor confidence took a heavy hit in September after rising defaults on US subprime mortgage paper pushed up the cost of credit and caused central banks to create hundreds of billions of dollars and to feed them into the financial system.

The Zew Center for European Economic Research in Mannheim said its index of expectations dropped to -18.1, the lowest since December, from -6.9 in August. As an example, the benchmark DAX has dropped 7.5% from its record in mid-July. Deutsche

Bank A.G. Germany's biggest bank will be the hardest hit among European securities firms by fallout from the US housing crisis.

The residential real estate slump in Spain, where prices have almost tripled since 1997, is unthinkable, the top economic adviser of PM Luis Rodriguez Zapatero said. In other words Luis has wished it away, so it will go away. The slowing in house prices appreciation began in January, due to excess supply and market exhaustion as well as a cut back in subprime loans. We believe prices will fall 20% to 45% between now and the end of 2009.

Spain seems to think they have one of the most efficient financial systems in the world. That is totally untrue. If it is so strong why did they have to sell gold recently to offset their terrible balance of payments deficit?

There will be 700,000 new housing units for sale, when demand should be 300,000.

The Eurosystem's reserves of gold and gold receivable fell 38 million euros to 171.902 billion for the week ended 9/14. Net foreign currency dropped 0.6 billion to 145 billion euros. Cash in circulation fell 1.7 billion to 637.5 billion euros.

In Frankfurt, Commerzbank is bracing itself for a higher than predicted loss from investments related to risky US mortgages that will make a big hole in profits. There is still no market in CDOs and ABSs.

Bulgarian 1st half GDP was +6.4% yoy.

Slovakia's August unemployment was 8.19% vs. 8.3% in July, down 1.6% yoy.

Bulgarian unemployment was 7% in August.

Greek June unemployment was 8.2%, down from 8.3% in June 2005.

Russia's August industrial output was 3.8% vs. 5.6% yoy.

Germany PWI Institute cut 2008 GDP to 2.3%.

Hungary Veres keeps GDP growth at 2.2% for 2007.

Germany's Peer Steinbrück cuts the 2007 budget deficit forecast to 0.1, -0.2%.

The Germany Zew Survey of economic expectations declines to -18.1 in September from -6.9.

Over 2/3's of financial experts believe there is a high risk that problems linked to the US subprime crisis will hit the stability of the global financial system, according to a new survey by Germany's Zew Institute.

Polish August industrial output was up 9% yoy.

Polish August CPI was +1.9% yoy.

Italy's July Industrial sales rose 11.5% yoy and orders rose 11.8%. June-July industrial orders were +11.8% yoy.

Greece's January-July current account deficit widened to 4.19 billion euros to 19.02 billion euros.

Swiss July retail sales rose 3.3% vs. 1.7% yoy.

German August PPI was up 0.1% from July and up 1.0% yoy.

Everyone is concerned about the size and the impact of the American real estate crisis. What Europeans haven't considered is that France, Sweden and Denmark rose as much as the US market did, about 134%. In Britain, Australia, Spain and Ireland, the 10-year increase in house prices has been even larger. If America is facing a housing crash so are the above as well. It is modeled that the average "excess" increase in real house prices is 47% in Belgium, Britain, Denmark, Greece, Spain and Sweden. In America's top ten cities prices are up 171% in the past ten years. What has set America apart is subprime mortgage lending in the late stages of the housing boom. Fifteen percent of these borrowers are behind on mortgage payments. If agencies in the US change the rules, and or bail out housing to any extent, inflation will rise more, the dollar will fall and the US will go into deep recession if not deep depression. If they do not aid

the mess, the collapse will affect real estate worldwide to some extent at least psychologically.

Commerzbank said in Frankfurt there could be bigger losses from the USD subprime mortgages than they first expected. Losses so far are \$111.9 million.

Eurozone PMI manufacturing posts 53.2 in September and services were 54.0.

Spain August tourist arrivals are up 3% yoy to 7.7 million.

Greek second quarter unemployment was 8.1%, down from 8.8% yoy.

Russia's gold and foreign currency reserves increased by \$3.8 billion to \$420.9 billion in the week of 9/7.

A prosecutor in Bolzano, Northern Italy, seized wine bottle labels bearing the portrait of Hitler and other Nazis from a winery near the Austrian border.

The 20- labels were from the "Der Führer line; they show Hitler raising the Nazi salute and his generals, including Hermann Goering, Heinrich Himmler and Rudolph Hess. They were imprinted with "Ein Volk, Ein Reich, Ein Führer" and Sieg Heil. The prosecutor said this was the glorification of perpetrators of crimes against humanity. The Lunardelli Company sold about 20,000 bottles featuring Hitler per year. Wine bottles with Mussolini on the label were not seized.

This was part of a product line started in 1995 called the historic collection, selling wines with faces of Winston Churchill who approved the Dresden raid, Antonio Gramsci, an Italian market philosopher, Adolph Hitler, Karl Marx, Napoleon Bonaparte Benito Mussolini and Che Guevara.

Socialism is alive and well in Spain. The country's twentysomethings are to receive cash handouts of \$300 to move out of their parent's homes. This way they hope the ten-year housing boom can be perpetuated. Prices are up 150%. That means Spaniards cannot buy and rents have soared. The buyers are British investors and holiday-home buyers. We saw a similar such boom in the mid-1980s. They can also get grants of \$840 for a down payment on a home. The government figures 180,500 people will take the bait that will cost the taxpayers \$620 million. The average rent is \$1,100 a month and in Madrid, Barcelona and San Sebastian, it's double. What happened to the inexpensive Spain we once knew?

In Scandinavia 10% of 18-34's live with their parents. In Northern Europe overall it's 24% and in Southern Europe it's 60%.

## **ENGLAND**

The reaction of the Bank of England, Secretary of the Treasury Alistair Darling's bailout of Northern Rock and anyone else who has gambled and lost is that it is terrible.

The implications are breathtaking and without precedent. The implication is that they stand behind the entire banking system. If called to bail out the system it would bankrupt the country.

August CPI fell to 1.8%, which we find hard to believe.

Even though the government has guaranteed bank deposits in the UK, the public does not believe the government.

The European Commission has requested information from British authorities over the government bail out of Northern Rock, concerned it could violate EU state aid laws if support leads to distortion of the banking market.

The Bank of England abandoned its opposition to emergency three-month money auctions and again loosened lending standards, just a week after Governor Mervyn King said such steps would encourage "risky behavior." BofE said it will accept

“mortgage collateral” that is CDOs, or toxic waste securities, at an auction for \$20 billion next week. On Tuesday and Thursday they offered \$8.9 billion each day at 5.75%.

The Qatar Investment authority has taken a 20% interest in the London Stock Exchange literally hours after Bose Dubai said it was buying 28% of the LSE from Nasdaq.

Northern Rock has effectively been nationalized by the Treasury’s unprecedented guarantee this week to protect all deposits. The BofE is going to monetize all the toxic garbage that Northern Rock and other institutions in trouble have in their portfolios. We guess the ECB might do the same, which is inflationary for all of Europe, England and the US, because the Fed has already done the same thing. Monetization equals massive inflation. We wonder if this wasn’t all coordinated in 2001 when this scam began. We expect the BofE will pump out \$100 billion into the markets over the next month. The BofE could end up with Northern Rock and the shareholders with nothing. The “rock” would then be sold to one of the favorite member banks at 10 pence on the pound.

The cost of a cooked British breakfast is about to surge as inflation grips the animal feed industry and threatens to create shortages of food staples, such as eggs, and as well as soaring bacon, dairy and bread prices. Leading egg producers had warned they may even quit the egg business, unable to afford the cost of feeding hens. At the same time the government wants us to believe inflation is 1.8%.

According to the British Pig Executive, farmers are getting \$2.20 a kilo for pigs that cost \$2.28 to produce, a loss of \$0.68 per kilo (2.2 lbs).

In order to rekindle egg production farm gate prices have to rise 25%.

First Milk, a leading farm cooperative, declared force majeure last month, warning customers that milk supplies would be falling 5% short in its second such warning this summer.

John Lewis week-to-September 15 department stores sales were up 4.1% and Waitrose was up 6.8%.

In spite of billion pound kickbacks the garbage pit known as the British government gave a great lesson in cynicism, but efficacy when it signed a contract to supply 72 Typhoon Euro fighter jets to Saudi Arabia for 4.43 billion pounds or \$8.86 billion known as the contract of the century for BAE and its partners.

Last year the corrupt PM Tony Blair blacked an investigation of financial embezzlement involving the kickbacks to the Saudi Royal Family, who are also corrupt. Prince Bandar received \$4 billion in secret accounts in Switzerland.

## **LATIN AMERICA**

Brazil’s FIPE Sao Paulo rose 0.19% in mid-September.

Brazil’s July retail sales were +0.5% vs. June and 9.2% higher than a year ago.

## **MEXICO**

The share of cocaine arriving in the US through Mexico has jumped from 66% in 2000 to 90% in 2005. Combined, Mexican drug cartels generate more revenue than at least 40% of Fortune 500 companies, and revenues are larger than those of Merck, Deere and Halliburton. Marijuana production rose sharply from 7,000 tons in 2000 to 13,500 in 2003, before leveling off at about 10 tons in 2004 and 2005.

35 million Americans use drugs. Methamphetamines appear to be the fastest-growing drug crossing the border.

Bread prices will rise 17% this week as raw material costs have risen 65%

## **ASIA**

Malaysia's August CPI was up 1.9% yoy and up 0.2% in July.  
Malaysia's July manufacturing sales fell 2.2% yoy.  
Taiwan's August unemployment was 4.09% vs. 4.03% in July.  
Taiwan's export orders were \$30.49 billion vs. \$29.72 billion in July.

## **CHINA**

China's end of August property prosperity index was 104.48 up 1.17% yoy.  
The government has ordered some prices frozen as August inflation rose 6.5%. The situation is out of control and price controls are not the answer.

## **JAPAN**

August department sales rose 1.4% yoy.  
The July tertiary index fell 0.5% from June, the 3rd fall in seven months.  
Household assets rose in the 2nd quarter as nationwide land prices rose for the first time in 16 years. The value of property in Tokyo, Osaka and Nagoya gained 5.1% on average for the year ended 6/30/07. Household assets rose 2.9% or \$13.5 trillion.

## **AFRICA**

The latest scam in South Africa to steal white citizens land is to have workers complain their employer is abusive. Mark our words the Marxist government will do the same as Mugabe did in Zimbabwe.

China plans to lend the Democratic Republic of the Congo \$5 billion to modernize its decrepit infrastructure and rich, but deteriorating mining sector in another huge Chinese investment foray in Africa. For that Chinese government controlled companies will gain copper/cobalt, gold and nickel concessions under repayment deals that would also include toll revenues from the roads and railways to be constructed. The country has lived in the dark ages since the Europeans left.

## **HEALTH**

### **A MEASURE OF UNDERSTANDING**

If you want to build up your health you are going to have to think like a farmer and building contractor. You won't have to buy farm equipment or take out a construction or mortgage loan. A contractor will step-by-step erect a building by first placing a solid foundation for a strong structure. Brick upon brick the building takes shape, is strong and offers protection. Those of us with shaky or cracking foundations (poor health), we have a major project ahead of us but we can reinstate the integrity of our body. Farmers sow seeds and hope that the rain and temperature will help produce a good crop. If you think about your health care (whether you use herbs and nutrition or pharmaceutical drugs and surgery); you still have to have a measure of hope and follow the blueprint of your healing regiment to hopefully produce results.

**"I find that a great part of the information I have, was acquired by looking up something and finding something else on the way."**

**Franklin P. Adams, American Journalist (1881 1960)**

### **THE 'REAL' STATISTICS**

It is becoming more apparent that people address their health problems they are shying away from drug and surgery treatments and are looking for more natural treatments with

few or no side effects. People are looking for a different way to stay healthy or to get healthy. A whopping 77% of stroke patients, 74% of high blood pressure and heart failure patients and 69% of heart attack patients are rejecting the AMA recommendations and are trying non-conventional therapies.

**“God's Word is pure and sure, in spite of the devil, in spite of your fear, in spite of everything.” R.A. Torrey**

### **STAYING FOCUSED**

The new term used in the media is CAM (Complementary Alternative Medicine). Some people mistake this for an *all* natural approach to healing. In reality it is a combination of conventional medicine and natural therapies usually performed by AMA physicians. One of the most popular therapies, which has gotten the attention of the media, is prayer. I wouldn't call prayer a CAM therapy, however the media does. If 43% of the populous prays to be healed, I call that a “super” natural therapy. According to the National Center for CAM, we pray before we take steps to change our diet, see a chiropractor or use herbal supplements. I think that's fabulous. After all, the beginning of understanding is to fear the Lord (Proverbs 9:10). Statistically it is being reported that more women than men use alternative therapies. I would have to disagree. From what I've seen, there is an equal amount of men and women seeking natural healing. Statistics reveal that those using alternative treatments tend to be people who have been hospitalized, are former smokers and are professionals.

**“Men can acquire knowledge, but not wisdom. Some of the greatest fools ever known were learned men.” Spanish Proverb**

### **AREAS OF CONCERN**

The whole gamut of health concerns are attracting people to natural therapies; diabetes, heart disease, arthritis, neurological (headache/migraine), osteoporosis, reproductive problems, prostate, digestion, thyroid, fatigue, sleep deprivation and the list goes on. Then there are the people who have an overall feeling of not operating at 100% and they want to feel better than they do. They are looking for solutions to everyday health problems. They become like the farmer, sowing seeds of diets, exercise, various supplements, energy drinks and hope for the best. There is nothing wrong with sowing seeds and having hope because it will be a combination of things that will help you achieve your health goal. Combine your effort of being a farmer with the action of a contractor who builds with a set of blue prints (a plan). You need to have a health plan and this will help you to determine what therapies are working and which are not. Don't forget to have prayer in your plan.

**“We are drowning in information and starving for knowledge.”  
Rutherford D. Rodger**

### **GETTING STARTED**

More and more people are discovering that if they apply a simple health concept they will have the ability to make a huge impact on their health. The concept reminds me of the parable of pure faith - the size of a mustard seed can move mountains. The mustard seed is indeed small and it has a very distinctive taste, which is considered a “pure” taste because nothing can overpower the taste of mustard. Making our lifestyles as pure and simple as possible will provide nutrition and will have a significant impact on our health. This is the nourishment principle. Next, add the cleanse principle to the nourish principle to “cleanse and nourish” the body and you have most things whipped. Sounds

simple, doesn't it? Why does health have to be complicated? It doesn't. Get started by visiting [www.thepowerherbs.com](http://www.thepowerherbs.com) and click on "organ cleansing" to find out how to cleanse your way to better health and the tools you will need. Or **call Apothecary Herbs toll free 866-229-3663, International callers 704-875-8010**. Apothecary Herbs are the experts in organ cleansing and immune system building. I highly recommend the **Body Foundation Food Mix** for the added nutrition your lifestyle is missing. A one-month supply is just \$36.50 and they sell it as fast as they make it. Get busy building a healthy body and reaping the rewards.

#### **WHAT'S NEW AT APOTHECARY HERBS?**

**New Audio Sound bytes** available on <http://www.thepoweherbs.com> to help you learn more about herbal products *before* you buy.

#### **Extra Strength Pain Relief & Heart Attack Pack**

Apothecary Herbs has the only double strength tincture on the market – Extra Strength Pain Relief. Most companies won't take the time and expense to make a double tincture, but they enter the system in 60-seconds and work for 12-hours for just \$25.95. If you can't get to an emergency room or medical doctor in time you will want the five powerful formulas in the Heart Attack Pack for just \$99.00. Call Apothecary Herbs 866-229-3663, International 704-875-8010 or order online at <http://www.thepowerherbs.com>.

#### **ARE YOU GETTING PREPARED?**

Get prepared and stock up. These ethical businesses are ready to prepare you and your family - call them today!

**DISCOUNT GOLD & SILVER TRADING** [www.discountgoldandsilvertrading.net](http://www.discountgoldandsilvertrading.net) 800-375-4188 to secure your wealth and back-up currency.

**FREEZE DRY GUY** [www.freezedryguy.com](http://www.freezedryguy.com) 866-404-3663 for quality dehydrated foods that won't break the bank.

**APOTHECARY HERBS** [www.thepowerherbs.com](http://www.thepowerherbs.com) 866-229-3663 for potent herbal supplements, immune boosting & organ cleansing formulas every doctor wished you didn't have.

**WENDY WILSON'S HERB TALK LIVE RADIO SHOW ARCHIVES** - Herb Talk Live is Internet streamed on [www.gcnlive.com](http://www.gcnlive.com) every Saturday 7-8:00 am EST. Weekly short-wave; Thursday WBCQ 4:00 p.m. rebroadcasts at 11:00 p.m. on 7.415. American Voice Radio Tuesday & Thursday 7:00-8:00 pm EST (pod cast, DSL, satellite). Radio archives also at <http://www.thepowerherbs.com>. Be well – Herbalist, Wendy Wilson

\*\*\*\*\*

**Currently: 1-YEAR \$129.95 U.S. Funds – until Sept 30, 2007**

**US AND CANADIAN SUBSCRIBERS:** Make check payable to Robert Chapman (**NOT** International Forecaster), and mail to P.O. Box 510518, Punta Gorda, FL 33951-0518. Please include name, address, telephone number and e-mail address.

**Or:**

**We accept Visa and MasterCard charges. Provide us with your card number and expiration date. We will charge your card US\$129.95 (after 10-1-07 US\$159.95) for a one-year subscription.**



You can email us in two separate emails (1- the Credit Card Number with full name, address and your telephone number and (2- the Expiration date on the card.

**NON US OR CANADIANS SUBSCRIBERS: -**

Due to the time that it takes for your mail to arrive to us from a foreign country, we would like for you to email us your telephone number so that we can contact you directly to get your Credit Card information in order to start your subscription to the IF. Or, as above email us the CC information in two separate emails.

**Note:** We publish twice a month by surface mail or twice a week by E-mail. [international\\_forecaster@yahoo.com](mailto:international_forecaster@yahoo.com) or [if\\_distctr@yahoo.com](mailto:if_distctr@yahoo.com)

\*\*\*\*\*

**Federal Reserve**

[http://shop.wnd.com/store/item.asp?ITEM\\_ID=1882](http://shop.wnd.com/store/item.asp?ITEM_ID=1882)

By G. Edward Griffin

***A "SUPERB ANALYSIS" OF THE FEDERAL RESERVE, SAYS U.S. CONGRESSMAN RON PAUL!***

Where does money come from? Where does it go? Who makes it? All of these questions and more are revealed in this mesmerizing book as the money magicians' secrets are unveiled. We are invited to take a close look at their mirrors and smoke machines, and their pulleys, cogs, and wheels that create the grand illusion called money.

\*\*\*\*\*

**Corn Ethanol & its Unintended Consequences for California**

<http://www.321energy.com/editorials/anthony/anthony091807.html>

Juliette Anthony, M.A., M.S., Consultant

Sept 19, 2007

[www.renewableenergyaccess.com](http://www.renewableenergyaccess.com)

\*\*\*\*\*

By: Paul Craig Roberts

At the conclusion of Kerry's speech, Andrew Meyer, a 21-year old journalism student was selected by Senator Kerry to ask a question. Meyer held up a copy of BBC investigative reporter Greg Palast's book, [\*Armed Madhouse\*](#), and asked if Kerry was aware that Palast's investigations determined that Kerry had actually won the election. Why, Meyer asked, had Kerry conceded the election so quickly when there were so many obvious examples of vote fraud? Why, Meyer, went on to ask, was Kerry refusing to consider Bush's impeachment when Bush was about to initiate another act of military aggression, this time against Iran?

<http://www.lewrockwell.com/roberts/roberts223.html>

\*\*\*\*\*

**The Meaning Of That Kerry Fracas In Florida**

[http://www.vdare.com/roberts/070918\\_kerry.htm](http://www.vdare.com/roberts/070918_kerry.htm)

\*\*\*\*\*

## America's Hegemonic Status Slipping Away

By [Paul Craig Roberts](#)

[http://www.vdare.com/roberts/070919\\_economic.htm](http://www.vdare.com/roberts/070919_economic.htm)

\*\*\*\*\*

### The Nightmare of DHS's \*Secure Flight\*

by [Blue Patriot Woman](#)

Mon Sep 17, 2007 at 10:34:23 AM PDT

Buried in the September 5 issue of the Federal Register, was a notice that this Thursday, September 20, the Transportation Safety Administration (TSA) will hold public hearings on their "[Secure Flight Plan](#)."

Come with me into a nightmare world where American citizens will have to obtain permission from the government before they can travel by air in the U.S.

[Blue Patriot Woman's diary](#) :: ::

Your government (meaning the Department of Homeland Security) is up to no good.

Beginning in February 2008, U.S. Customs and Border Protection (CBP) will implement their "Advance Passenger Information System (APIS)," the gist of which is that you will need permission from the United States Government to travel on any air or sea vessel that goes to, from or through the U.S. The travel companies will not be able to issue a boarding pass until you are cleared by DHS. This applies to ALL passengers, US citizens and visitors alike. And how do you get said permission to travel? That's for your government to know and you to never find out.

Now TSA proposes to do for domestic travel what APIS will do for international routes. That's what I said: the new TSA rule would require that you obtain PERMISSION to travel within the U.S.

Here is the summary of their proposed rules, which seem so reasonable, couched as they are in the blandness of governmenteez [emphasis added].

The Intelligence Reform and Terrorism Prevention Act (IRTPA) requires the Department of Homeland Security (DHS) to assume from aircraft operators the function of conducting pre-flight comparisons of airline passenger information to Federal Government watch lists for international and **domestic** flights.

This rule proposes to allow TSA to ... receive passenger and certain **non-traveler** information, conduct watch list matching ... and transmit boarding pass printing instructions back to aircraft operators.

TSA would do so in a consistent and accurate manner while minimizing false matches and protecting privacy information.

Right. And I have a bridge in Brooklyn...

We propose that, when the Secure Flight rule becomes final, aircraft operators would submit passenger information to DHS through a single DHS portal for both the Secure Flight and APIS programs. This would [result] in one DHS system responsible for watch list matching for all aviation passengers.

Don't you feel great knowing that your government will use economies of scale to protect you?

[Edward Hasbrough](#) states that these rules are more insidious than merely complying to demands for "Your papers please." He states,

The proposal ... require[s] that travelers display their government-issued credentials not to government agents but to airline personnel (staff or contractors), whenever the DHS orders the airline to demand them. But since the orders to demand ID of [certain passengers] will be given to the airline in secret, ... travelers will have **no way to verify whether ... demands for ID are actually based on government orders.**

Think about that: you will not be allowed to verify if the person demanding your papers is actually authorized to do so. In addition, the airlines or their contractors (or sub or even sub-sub contractors) have the right, under the proposed rules, to do anything they like with your personal information including:

Keep copies of your passport ... as long as they like, use it, publish it, broadcast it, sell it, rent it, or pass it on to whomever they please.... [T]hey would have no obligation to get your permission for any of this.

Aside from the privacy issue, this is the DHS. Their past performance **is** an indication of future returns and we can look forward to true travel nightmares beginning February 19, 2008. Just think about the mess that occurred when CBP demanded that travelers to Canada and Mexico have a passport. Multiply that by orders of magnitude to imagine what travelers will be facing.

If you can, please attend the TSA hearings on Thursday (Grand Hyatt Washington, 1000 H Street, N.W. beginning at 8:00am). If you can't attend in person, you have until October 22, 2007 to submit written comments through the [Docket Management System](#). The docket number is **TSA-2007-28572**.

The Identity Project at [Papers Please](#) is working to prevent your government from robbing you of your right to privacy in your movements.

\*\*\*\*\*

## **The Shock Doctrine**

By Stephen Lendman

Thursday 20 September 2007

[http://www.truthout.org/docs\\_2006/printer\\_092007H.shtml](http://www.truthout.org/docs_2006/printer_092007H.shtml)

\*\*\*\*\*

<http://www.newswithviews.com/Devvy/kidd304.htm>

## **GOT BLING?**

By: Devvy

September 20, 2007

\*\*\*\*\*

Dr. Kurt Richebacher

"Bulls of 1929 - like their 1990s counterparts - had their eyes glued on improving profits and stock valuations. Not a thought was given to the fact that the rising tide of money deluging the stock market came from financial leverage and not from savings."

<http://www.ernharth.com/2007/08/29/dr-kurt-richebacher-rip/>

\*\*\*\*\*

## **CHINA BUILDS WORLD'S LARGEST NAVY**

<http://www.newswithviews.com/Kincaid/cliff173.htm>

By Cliff Kincaid

September 23, 2007 NewsWithViews.com

\*\*\*\*\*

**If this legislation which as already passed in the house and awaiting action in the senate doesn't make you angry then I can only assume that you are brain dead! As the author says in conclusion, "No good deed goes unpunished."**

<http://www.newswithviews.com/Pratt/larry81.htm>

\*\*\*\*\*

**NEXT ISSUE  
WEDNESDAY M-W, SEPTEMBER 26, 2007**